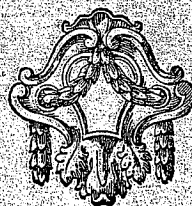


SUPT. OF MINES DEPT.

Report of the
**Walker Mining
Company**



SUPT. OF MINES DEPT.

For the Year Ending December 31, 1928

Walker Mining Company

PLUMAS COUNTY, CALIFORNIA

P. O. AND SHIPPING POINT
SPRING GARDEN, CALIFORNIA

OPERATING OFFICE
KEARNS BUILDING, SALT LAKE CITY, UTAH



(Incorporated under the Laws of the State of Arizona)



CAPITAL STOCK

COMMON—Authorized	-	-	-	1,750,000 shares at \$1.00 per share
Issued	-	-	-	1,749,308 shares at \$1.00 per share



Directors

J. R. WALKER	W. R. WALKER	J. O. ELTON	J. B. WHITEHILL
B. R. HOWELL	WM. STORY, JR.	ROBERT E. DWYER	

Officers

J. R. WALKER, *President*
ROBERT E. DWYER, *Vice-President*
J. O. ELTON, *Vice-President*
J. B. WHITEHILL, *Secretary-Treasurer*

Transfer Agents

J. W. ALLEN, Transfer Agent, 25 Broadway, New York City, N. Y.
COLUMBIA TRUST CO., Transfer Agent, Salt Lake City, Utah

President's Report

Salt Lake City, Utah, March 26, 1929.

TO THE STOCKHOLDERS OF THE WALKER MINING COMPANY:

The following report covering the operations of your Company for the year ending December 31, 1928, is submitted.

Referring to the income account, there is shown an operating profit of \$304,770.35. The corresponding amount for the year 1927 was an operating loss of \$33,258.22.

The better showing in operating profit for 1928 over that of the previous year was due to a decrease in the per ton costs and to an increase in the price of copper.

The average price of copper for the year 1928 was 14.57 cents per pound and the price for 1927 was 12.92 cents per pound.

Mining costs were the lowest in the history of the operation of the property. These costs for 1928, based on a ton of crude ore for breaking, producing, milling and delivery of concentrates to the railway, were \$2.3385 per ton. (The costs for 1925, 1926, and 1927 were respectively \$3.5633, \$3.8213 and \$2.7523.)

The Company's indebtedness to the International Smelting Company was reduced during the year in the amount of \$55,633.24, and the balance at December 31, 1928, amounted to \$780,000.00.

For mining and development operations please refer to the Manager's report.

There were 391,275 tons of ore milled which produced 22,654 tons of concentrates, having a metal content as follows:

Copper, pounds	10,356,742.
Silver, ounces	212,961.690
Gold, ounces	13,011.201

The vigorous campaign of development that was maintained in 1927 was continued during the year 1928, and has resulted in materially increasing our ore reserves, thus adding many years to the life of the mine.

The Piute Ore Body, which was discovered late in 1927, has been proven on the 700 level for a distance of 1320 feet along the strike and

has a width of 40 feet. A raise has been driven to the surface along the dip and indicates a large tonnage of good mill ore.

Developments on the 9th and 10th levels below the Central and South Ore Bodies are encouraging, and prove the persistence of ore at these depths.

As a result of diamond drilling, two parallel veins have been discovered. The first of these veins, named the 712 Ore Body, lies approximately 1000 feet north of the northern extremity of the North Ore Body and has been opened up and proven to be an important discovery.

The second vein lies about 350 feet to the westward and parallel to the 712 Ore Body. There has not been sufficient development work done on this second vein to prove or disprove its importance.

Neither the Piute vein nor the 712 vein has any connection with the ore bodies to the south and are important in that they are entirely new discoveries.

J. R. WALKER, *President.*

Manager's Report

Spring Garden, California, March 26, 1929.

MR. J. R. WALKER, President,
Walker Mining Company,
Salt Lake City, Utah.

Dear Sir: I beg to submit annual report of the Walker Mining Company covering the period of twelve months beginning January 1, 1928, and ending December 31, 1928.

MINING DEPARTMENT

The tonnage of ore mined during the year was as follows:

Ore broken	486,156 tons
Ore produced	399,040 tons

CENTRAL ORE BODY

The ninth level was continued and opened for a length of 800 feet and stopes were opened both north and south of the winze.

The total footage of drifts, crosscuts and raises in this ore body amounted to 3,663.5 feet. 94,006 tons of ore averaging 1.83% copper were produced, or approximately 23.56% of the total tonnage produced came from this ore body.

NORTH ORE BODY

A total of 3,139.5 feet of drifts, crosscuts and raises were driven in this ore body, mostly for stope preparation. Values have materially increased above the third level. A large part of the breakage for the year occurred in this ore body. 233,881 tons of ore averaging 1.43% copper were produced, or approximately 58.61% of the total tonnage produced came from this ore body.

SOUTH ORE BODY

A three-compartment winze was sunk 50 feet to a total depth of 545 feet. A station was cut on the tenth level and ore pockets put in below the tenth level. A 60,000-gallon sump was cut, and two 500-

gallon per minute centrifugal pumps were installed. A double drum hoist, and sub-station were installed, a head frame was put in extending into the stope above, and a concrete block put in over the head frame.

The tenth level is being driven large for a main haulage. It was cut for a total length of 300 feet. On the seventh level 184 feet of main haulage drifts were driven, connecting 784 with the main haulage on the north. The eighth level was continued and 810 stope was opened.

A total of 2059 feet of drifts, crosscuts, raises and winzes were driven in this ore body largely in development. 31,883 tons of ore averaging 1.54% copper were produced, or approximately 7.99% of the total tonnage produced came from this ore body.

712 ORE BODY

634.5 feet of drifts, crosscuts and raises were driven in this ore body mostly in development. 4,506 tons of ore averaging 1.21% copper were produced, or approximately 1.13% of the total tonnage produced came from this ore body.

Two veins were indicated by diamond drilling. The one in the hanging wall about 50 feet east of and parallel with the 712 vein has been opened up for a distance of 200 feet, averaging 2.03% for a width of four to eight feet.

PIUTE ORE BODY

This ore body was discovered at the close of 1927 and has been developing during the year. It has now been opened for a distance of 1,320 feet along the strike, indicating a large tonnage of good mill ore. 4,728.5 feet of drifts, crosscuts, and raises were driven in this ore body, including 1,564 feet of large main level drifts, 796 feet of large crosscuts, and 541 feet of two-compartment main working raise to the surface. 32,496 tons of ore averaging 1.42% copper and 4,936 tons of waste were broken and produced. 8.14% of the total tonnage produced came from this ore body. The No. 8 2300-volt cable taken out from portal to main ore body, was installed in conduit from the Central Ore Body to the Piute Ore Body, a sub-station put in, a hoist reconditioned and installed, and a power house, compressor and other equipment installed at the top of the winze.

CLEAN-UP: 2,298 tons of ore averaging 1.39% copper were recovered from tunnel clean-up. 0.57% of the total tonnage produced came from this source.

DEVELOPMENT

The advances in underground openings for the purpose of exploration and development were as follows:

Large size drifts	2,253.0 feet
Large size crosscuts	981.0 feet
Large size chute raises	84.5 feet
Two-compartment pilot raises	363.0 feet
Two-compartment timbered working raise	541.0 feet
Three-compartment working winzes	50.0 feet
Small size drifts	2,194.0 feet
Small size crosscuts	1,017.5 feet
Small size stope drifts	111.5 feet
Small size crosscuts	20.0 feet
Small size winzes	19.5 feet
Total Development	7,635.0 feet

MINING

The advances for the purpose of mining were as follows:

Large size drifts	305.5 feet
Large size crosscuts	29.0 feet
Small size drifts	1,112.0 feet
Small size crosscuts	356.5 feet
Small size stope drifts	1,781.5 feet
Small size winzes	40.0 feet
Two-compartment raises	78.0 feet
Large size chute raises	397.0 feet
Small size chute raises	355.0 feet
Small size stope raises	552.0 feet
Small size finger raises	1,016.5 feet
Small size manway raises	211.5 feet
Total Mining	6,234.5 feet
Total Mining and Development	13,869.5 feet

MINING

DIAMOND DRILLING: A diamond drilling campaign was undertaken and nine holes were drilled totaling 6,211.5 feet.

BREAKAGE AND GRADE: There were 486,156 wet tons, 2% moisture, of ore broken with an average grade of 1.64% copper, according to ore bodies as follows:

	Wet Tons	% Copper
Central Ore Body	124,164	1.80
North Ore Body	283,542	1.61
South Ore Body	34,091	1.68
712 Ore Body	11,863	1.22
Piute Ore Body	32,496	1.42

CONCENTRATION DEPARTMENT

The mill has operated satisfactorily during the year, crushing a total of 391,275 tons dry, or 1,089.9 tons of ore per day for the 359 days the mill was in operation.

Mill statistics for the year were as follows:

Ore delivered to mill, dry tons	391,275.0000
Average grade of ore milled, per cent copper	1.4431
Average tails, per cent copper	0.1334
Average recovery, percentage	91.2944
Average grade of concentrates, per cent copper	22.7552
Average grade of ore milled, ounces silver	0.5900
Average grade of ore milled, ounces gold	0.0600
Tonnage of concentrates produced	22,653.6954

During the year there were recovered and delivered to the smelter in the form of concentrates:

Copper, pounds	10,356,742.
Silver, ounces	212,961.690
Gold, ounces	13,011.201

NOTE.—Of the above 144 pounds of copper, 164.89 ounces of silver, and 353.706 ounces of gold were recovered from lime scale that was taken from flotation cells.

After deductions on smelter contract had been made, copper paid for by the smelter amounted to 9,613,856 pounds. Cost of producing this copper after credited gold and silver content, and including refining charges was 11.388 cents per pound. This cost includes development in previous years in the amount of \$73,763.27 written off during 1928, but does not include depletion, depreciation or interest.

TRAMWAY

Concentrates handled during the year:

Dry tons	22,504.4699
Lime scale, dry tons	3.7080
Back freight delivered to the mine, tons	3,016.7540

COSTS

The costs for the year were as follows:

Breaking Ore (including development \$0.3816)	\$1.1457
Producing Ore	0.4344
Mill Operating	0.6574
Tramway (per ton of concentrates \$1.7553)	0.1016
Total operating cost per ton of crude ore and concentrates delivered at Spring Garden	\$2.3391

CONSTRUCTION AND EQUIPMENT

Live Stock and Stable Equipment	\$ 250.00
Mine Equipment	28,024.73
Mine, Mill and Shop Buildings	10,009.87
Mill and Shop Equipment	3,996.67
Mill Camp Buildings	21,565.24
Piute Mine Equipment	19,578.69
Piute Mine Buildings	7,655.96
Mine and Mining Claims	2,697.43
Tailings Dam—By-pass	5,559.32
Diamond Drilling	18,098.75

\$117,436.66

Yours very truly,

WALKER MINING COMPANY,

By H. A. GEISENDORFER, *Manager.*

Walker Mining Company

BALANCE SHEET—31ST DECEMBER, 1928

ASSETS

FIXED:

Mine, Mining Claims and Development	\$1,458,416.45	
Plant and Equipment	1,180,409.92	\$2,638,826.37

CURRENT:

Supplies on Hand and Expenses Prepaid	145,223.17	
Ores and Concentrates on Hand—at Cost	309,443.86	
Accounts Receivable	51,975.48	
Cash	54,380.98	561,023.49
		<u>\$3,199,849.86</u>

LIABILITIES

CAPITAL STOCK:

Authorized—1,750,000 shares of \$1.00 each	
Outstanding—1,749,308 shares	\$1,749,308.00

RESERVE FOR DEPRECIATION 684,960.83

NOTES PAYABLE 780,000.00

CURRENT:

Interest and Taxes Accrued	\$ 5,779.93	
Accounts and Wages Payable	78,922.06	84,701.99

SURPLUS ACCOUNT:

Deficit 31st December, 1927	275,241.77	
Net Income of the year ended 31st December, 1928.	176,120.81	99,120.96
		<u>\$3,199,849.86</u>

We hereby certify that this Balance Sheet shows the financial condition of Walker Mining Company at 31st December, 1928, and that the accompanying Income Account for the year ended that date is correct as stated.

POGSON, PELOUBET & Co.,
Certified Public Accountants.

New York, 23rd February, 1929.

NOTE.—In order to comply with the Government Income Tax requirements for the purpose of computing depletion additional entries respecting the valuation of the mining property have been recorded upon the books of the Company; but being made for tax purposes only the result of such entries is omitted from the current statements.

Walker Mining Company

INCOME ACCOUNT

YEAR ENDED 31st DECEMBER, 1928

Sales of Ore and Concentrates		\$1,476,788.93
Mining and Milling	\$1,094,411.27	
Transportation	123,681.32	
Inventory at beginning of year	263,369.85	
	<u>1,481,462.44</u>	
Less, Inventory at end of year	309,443.86	1,172,018.58
		<u>304,770.35</u>
Operating Profit		
Depreciation	79,362.38	
Interest	49,287.16	128,649.54
		<u>\$ 176,120.81</u>
Net Income of the year ended 31st December, 1928		